

# BND Exchange

Bank of North Dakota News & Developments



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## Ag PACE Helps Swan Creek Marketing Expand Operations

North Dakota farmers looking to diversify their income have used

Bank of North Dakota's Ag PACE (Agriculture Partnership in Assisting Community Expansion) program for close to 15 years. One family in Ayr has successfully used the program to launch a business that caters to clientele throughout the United States.

Dan Eckert and his family, under the business name Swan Creek Marketing, began customizing trailers to serve

as towable living spaces. These original trailers were customized to serve as living spaces with room to haul motorcycles, snowmobiles or other expensive toys.

Three generations work on the customization business including Dan's father Don, a retired farmer, and Dan's daughter Tanya Stadheim, who manages the day-to-day business of Swan Creek Marketing.

Dan got the idea for the business after traveling to the Sturgis Motorcycle Rally in South Dakota.

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*The interior of a trailer created by Swan Creek.*

## New BND Loans Approved For Feedlots and Businesses

The Industrial Commission has approved new Bank of North Dakota (BND) loan programs for promoting cattle feeding and handling livestock waste in addition to business PACE loans. The new loan programs include: Feedlot Loan Guarantee, Livestock Waste Management System, Biodiesel PACE, and Flex PACE programs.

"The new agricultural and PACE programs provide more financial options for small business owners and farm or ranch operators across the state," Gov. John Hoeven said. "The BND programs can assist in expansion and help both the business and agricultural economies to grow."

The Feedlot Loan Guarantee program is designed to help expand the cattle feeding industry in North Dakota. The Bank will work in partnership with other lenders to guarantee loans for owners of

feedlots that backgrounds cattle to harvest-ready weight.

The Livestock Waste Management System loan program is designed to reduce or prevent water quality impacts associated with livestock waste by providing low interest financial assistance to producers for installing waste management facilities. BND is

working in conjunction with the State Health Department on the waste management program.

Agriculture Commissioner Roger Johnson said the new programs can help livestock producers to expand their operations. "The BND

Feedlot Loan Guarantee and Waste Management programs will assist agricultural producers across the state by increasing loan limits and focusing on the needs of the farmer today," Johnson said.

The Biodiesel PACE program will provide funding for Biodiesel production facilities located in North Dakota involved in production of diesel fuel containing at least five percent biodiesel.

Eligible uses of Biodiesel PACE loan proceeds are for the purchase of real property and equipment, expansion of facilities, working capital, and inventory.

Flex PACE is a special feature of the PACE (Partnership in Assisting

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**"The BND Feedlot Loan Guarantee and Waste Management programs will assist agricultural producers across the state by increasing loan limits and focusing on the needs of the farmer today."**

*Roger Johnson,  
Agriculture Commissioner*

## President's Message



*Eric Hardmeyer*

### New loan programs available for farmers and businesses

This year has been an interesting one as weather has affected many areas including parts of North Dakota. When bad weather hit parts of the state this summer, BND created low interest disaster relief loans and worked in partnership with other state agencies and financial institutions to help out state residents. The loans are designed to assist homeowners, farmers and business owners impacted by severe weather.

We have also updated a number of our ag lending and business programs. Some of the changes we are particularly excited about are programs to assist feedlots and farmers, in addition to expansion of the PACE program. The changes help provide more financial options for the farm or feedlot operator to expand or implement improvements.

The PACE program changes will help businesses to attain funding without the past criteria of creating new jobs. This type of expansion of the loan program offers more options to small business owners, allowing them to grow. The new programs illustrate how we look for ways to serve North Dakota residents as the State's economic development bank.

## SLND provides ND students college prep software

Student Loans of North Dakota (SLND) at BND has signed an agreement with Bridges, a provider of career and educational planning solutions, to provide every North Dakota middle school and high school with college and career preparation software.

The agreement includes providing high school students access to Bridges Guidance Central, a software program with career exploration, planning and testing tools including testGEAR for ACT, Choices Planner and Choices Explorer. Also through this agreement, middle school students in the state will have access to Choices Explorer, a career and education planning software program.

Students registered at 225 North Dakota public and private schools throughout the state will now have access to Bridges' new test prep products for the ACT test. BND's purchase of these test prep products for the state of North Dakota provides a state wide application of Bridges testGEAR product line. In addition to state wide product distribution, this sponsorship agreement also includes

training for North Dakota's education professionals who will be implementing the products into the schools.



"The purchase and implementation of this program illustrates our commitment to North Dakota's education system, from middle school through high school, and ultimately higher education," said BND President Eric Hardmeyer.

Bridges testGEAR offers each student a personalized study plan based on the results of a brief test. Students are then guided through a 50+ hour instructional program that strengthens content skills, introduces test-taking strategies and builds confidence with many short practice tests and full-length exams.

## New BND Loans

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Community Expansion) Program which will provide interest buy-down to non-PACE qualifying businesses where the community determines eligibility and accountability standards.

The unique part of the Flex PACE program will allow businesses to attain funding without the criteria of creating new jobs, it will also allow communities the ability to provide assistance to businesses that have criteria such as: jobs retention, technology creation with no new jobs, retail, smaller tourist businesses and essential community businesses.

Attorney General Wayne Stenehjem said, "We hope by offering these new programs small business owners and local communities will be encouraged to start a business or expand their current one which leads

to investing even more into their local communities and the state's economy."

Eric Hardmeyer, BND president, noted that the Bank staff look forward to working with local lenders, business owners and farmers in providing more options to promote the State's economy.

"The new programs illustrate how BND can develop loans to meet market demands and work closely with the legislature and bankers to meet the needs of farming operations and local communities throughout North Dakota," said Hardmeyer.

The new feedlot and biodiesel programs, which took effect Aug. 1, are a result of legislation adopted by the 2005 Legislature. The livestock waste and Flex PACE programs also went into effect on August 1, 2005.

## Pat Mahar Joins BND Advisory Board

Governor John Hoeven recently appointed Pat Mahar of Cavalier to serve on the Bank of North Dakota (BND) Advisory Board. Mahar's term is effective July 1, 2005 to June 30, 2009.

A native of Hamilton, ND, he graduated from Cavalier High School and attended Mayville State University.

He has been active on several Boards including National President of the American Sugar Beet Growers Association, Red River Valley Sugar Beet Growers Association, American Crystal Sugar Company and the

United Valley Bank.

In the agricultural industry for many years, Mahar operates the family farm with his brother and son. They primarily raise sugar beets, edible beans and small grain crops.

"I'm excited to join the BND Advisory Board and look forward to the new challenges and opportunities this position represents," says Mahar. "North Dakota needs to continue growing and diversifying economically, especially in smaller communities. I hope to contribute to this goal with my presence on the Advisory Board."



*Pat Mahar*

Pat and his wife, Barbara, have three sons: Bill, Scott and David.

## Disaster relief loan programs created for weather-related events

BND has created low interest rate disaster relief loan programs for North Dakota residents impacted by the recent weather related events. BND will provide loan funding and work in partnership with local community financial institutions in affected areas to implement the programs.

The disaster relief loan programs are designed to assist homeowners, farmers and business owners in

North Dakota counties and communities that have been declared as disaster areas.

The new programs have been implemented immediately and coordinated through the North Dakota Department of Emergency Services and Bank of North Dakota.

"I've met with farmers, homeowners and business owners across the state who need help because of severe summer storms and flooding," said Gov. John Hoeven. "Through the Bank of North Dakota, we can help provide that assistance through this new low interest loan program."

According to BND, North Dakota residents impacted by severe summer storms and flooding who want to access the low interest loan program should contact their local financial institution to begin the loan process in their home community.

"BND has designed this program to provide the funds with minimal processing time and costs to the borrower," said Eric Hardmeyer, BND president. "If a local financial institution is unable to originate the loan, BND will make other arrangements to

provide the funds."

The disaster relief loan program for homeowners will provide funding to repair weather-damaged properties at a fixed interest rate of five percent over ten-years.

"The program for farmers is designed to help them recover from recent weather-related damage to land or property and give them the ability to restructure their debt with a fixed interest rate loan at 5.50 percent over five years," said Roger Johnson, Agriculture Commissioner.

The disaster loan program for business owners will provide borrowers with financing over five years at a fixed interest rate of 5.50 percent to replace or repair equipment and real estate, and to replenish working capital.

Attorney General Wayne Stenehjem stated, "The business disaster loan program also provides relief to the borrower by lowering their interest rate and providing options for reamortization of the loan term. All of the disaster loan programs will provide important assistance at a crucial time to residents whether they own a home, business or farm."

The BND disaster relief loan programs will be available through December 31, 2005.





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### Swan Creek Marketing

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After sleeping on the ground in a soggy tent and noticing shiny Harley-Davidson's all around him, he got the notion to combine the expensive hobby with the realistic aspect of travel and lodging.

After being turned down by the RV Industry because they couldn't see any profit, Dan went to work to turn his dream into a reality in his own backyard. He sought help from First State Bank of North Dakota in Arthur which ultimately recommended the Ag PACE loan from Bank of North Dakota as the right fit for the North Dakota farmers.

Ag PACE is an interest rate buy down program used to reduce the borrower's interest rate on loans through a local lender and BND. The program is available to a business integrated into the farm operation and used to supplement farm income. The business must be

conducted on real estate operated, owned or leased by the farmer for use in the business of farming.

"Ag PACE works in conjunction with our farm operation because it allows Swan Creek Marketing Trailer Conversion to work as a separate company. We don't have to borrow from one operation to the other for support," said Tanya. "And without Ag PACE we wouldn't have been able to build the facility we have which allows us to work on larger trailers, and more trailers at one time. Without that option we would not have been able expand into the next phase of our business model."

In recent months, Swan Creek Marketing has expanded their operation to include United Specialties Inc. which creates motorhomes, garage units and toters for consumers. Swan Creek's number one clientele has evolved from the motorcycle industry to professional dog handlers. They were one of the United Specialties first dealers to mine the West Coast dog market with motorhomes built on a semi chassis for durability, strength and longevity (up to 1 million miles).

Swan Creek will still accommodate all their prior business clientele but the move into this new market has expanded their business and helped them grow quickly with a customer base that now crosses the country.

For additional information on Swan Creek Marketing and all their customization options go to [www.swancreekingc.com](http://www.swancreekingc.com) or call Tanya at 701-896-3333.



*A trailer designed for motorcycle enthusiasts by Swan Creek.*